



OFFICERS

OTHERS

DIRECTORS OR TRUSTEES

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Subscribed and sworn to before me this	a. Is this an original filing?	Yes[] No[X]
_____ day of _____, 2005	b. If no, 1. State the amendment number	1
	2. Date filed	09/19/2005
	3. Number of pages attached	2

(Notary Public Signature)

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X		
2.	Net premium income (including \$..... non-health premium income)	X X X		
3.	Change in unearned premium reserves and reserves for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X		
Hospital and Medical:				
9.	Hospital/medical benefits			
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs			
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)			
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)			
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....115,854 cost containment expenses		(135,375)	(62,236)
21.	General administrative expenses		(77,369)	(186,742)
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		(212,744)	(248,978)
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	212,744	248,978
25.	Net investment income earned		62,023	42,683
26.	Net realized capital gains (losses) less capital gains tax of \$.....			
27.	Net investment gains or (losses) (Lines 25 plus 26)		62,023	42,683
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses		25,000	
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	299,767	291,661
31.	Federal and foreign income taxes incurred	X X X	100,158	96,999
32.	Net income (loss) (Lines 30 minus 31)	X X X	199,609	194,662
DETAILS OF WRITE-INS				
0601	.....	X X X		
0602	.....	X X X		
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701	.....	X X X		
0702	.....	X X X		
0703	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401	.....		
1402	.....		
1403	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	Reverse Abandonment Accrual		25,000	
2902	.....		
2903	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		25,000	

Amended Statement Cover

Amended Explanation:

Page 4 had a \$25,000 reclassification from General administrative expenses to line 29 as reverse abandonment accrual.

Tennicare operations statement of revenue and expanses had a \$25,000 reclassification from miscellaneous medical expenses to Abandonment accrual in the administrative expenses.

Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES

June 30, 2005

Prepared in accordance with instructions from TDCI

	Current Quarter	Current Year	Previous Year
	Total	Total	Total
MEMBER MONTHS	154,659	304,507	578,206
REVENUES:			
1. TennCare Capitation	18,924,427	37,100,489	64,654,812
Capitation	-	-	-
ASO Administrative fees received	2,044,507	4,011,051	
ASO Medical expense	16,539,155	32,387,587	
Premium Tax Expense	340,765	701,851	
2. Adverse Selection	-	-	-
3. Total (Lines 1 and 2)	18,924,427	37,100,489	64,654,812
4. Investment	33,917	62,023	83,422
5. Other Revenue (Provide detail)	-	-	-
6. TOTAL (Lines 3 to 5)	18,958,344	37,162,512	64,738,234
EXPENSES:			
Medical and Hospital Services			
7. Capitated Physician Services	83,177	157,128	224,145
8. Fee for Service Physician Services	5,936,082	13,002,299	23,298,075
9. Inpatient Hospital Services	5,864,096	9,753,757	16,025,356
10. Outpatient Services	1,388,407	3,614,868	6,385,803
11. Emergency Room Services	754,553	1,820,487	2,738,745
12. Mental Health Services	-	-	-
13. Dental Services	-	-	-
14. Vision Services	96,369	173,070	330,415
15. Pharmacy Services	-	245	1,134
16. Home Health Services	561,814	561,990	519
17. Chiropractic Services	1,016	2,343	2,800
18. Radiology Services	536,054	1,313,242	2,331,208
19. Laboratory Services	219,525	457,368	779,210
20. Durable Medical Equipment Services	461,880	734,555	1,549,680
21. Transportation Services	654,796	982,467	1,800,983
22. Outside Referrals	-	-	-
23. Medical Incentive Pool and Withhold Adjustments	-	-	-
24. Occupancy, Depreciation and Amortization	-	-	-
25. Other Medical and Hospital Services (Provide Detail)	50,943	100,694	171,682
27. Subtotal (Lines 7 to 26)	16,608,712	32,674,513	55,639,755
LESS:			
28. Net Reinsurance Recoveries	(20,134)	(166,690)	(332,012)
29. Copayments	9,570	28,037	106,769
30. Subrogation and Coordination of Benefits	80,121	425,579	202,426
Subtotal (Lines 27 to 29)	69,557	286,926	(22,817)
31. TOTAL MEDICAL AND HOSPITAL (Line 26 less 30)	16,539,155	32,387,587	55,662,572
Administration:			
32. Compensation	-	-	-
33. Marketing	-	-	-
34. Interest Expense	-	-	-
35. Premium Tax Expense	340,765	701,851	1,243,212
36. Occupancy, Depreciation and Amortization	-	-	-
37. Other Administration (Provide detail) **	1,845,854	3,773,307	7,000,799
38. TOTAL ADMINISTRATION (Lines 32 to 37)	2,186,619	4,475,158	8,244,011
39. TOTAL EXPENSES (Lines 31 and 38)	18,725,774	36,862,745	63,906,583
40. Extraordinary Item	-	-	-
41. Provision for Income Tax	88,360	100,158	282,762
42. NET INCOME/(LOSS) (Line 6 less Lines 39, 40 and 41)	144,210	199,609	548,889

-- Other Administration Detail			
Administration Fees *	1,839,774	3,657,514	6,766,574
Unpaid Claims Adjustment Expense - Change in Reserve	90	75,761	80,885
ASO Admin Fees	-	-	-
Payroll Taxes	-	-	-
Pharmacy Admin Fees	-	-	(238)
Legal Fees	-	-	(10,388)
Accounting Fees	8,250	16,500	28,000
Consulting	204	204	5,170
Liability Insurance	18,459	38,827	84,212
Dues, Fees & Subscriptions	-	640	20
Bank Fees	4,077	8,861	19,586
State Tax	-	-	1,978
Abandonment Accrual	(25,000)	(25,000)	25,000
Case Mgmt Fees	-	-	-
Total Other Administration	1,845,854	3,773,307	7,000,799

* Includes Administrative Fees paid to Affiliates

Other Medical and Hospital			
Misc Medical Expense	-	-	-
Case Management fees	50,943	100,694	171,682